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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)

Policy and Rules Concerning)
the Interstate, Interexchange)
Marketplace)

CC Docket No. 96-61

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To: The Commission

**RESIDENTIAL AND SMALL BUSINESS CONSUMER GROUPS'
COMMENTS IN SUPPORT OF MOTION FOR STAY**

Consumer Action,¹ Consumer Federation of America² and Telecommunications Research and Action Center³ ("Residential and Small Business Consumer Groups"), appearing by counsel, Media Access Project, respectfully submit these comments in support of MCI Telecommunications Corporation's December 18, 1996 *Motion for Stay Pending Judicial Review* in this matter.

Residential and Small Business Consumer Groups generally endorse MCI's legal arguments. These comments are directed at calling to the Commission's attention the significant and irreparable harm their members will suffer in the absence of a stay of the Commission's *Second*

¹ Consumer Action is a San Francisco-based consumer education and advocacy organization that represents the interests of consumers, especially those who have low incomes and/or limited English-speaking skills. In recent years, it has devoted much of its resources to telecommunications issues at the state and federal level. It publishes and distributes long distance price surveys based on data obtained from interexchange carriers' tariffs.

²CFA is the nation's largest consumer advocacy group, composed of over two hundred and forty state and local affiliates representing consumer, senior citizen, low-income, labor, farm, public power and cooperative organizations, with more than fifty million individual members.

³TRAC is a non-profit tax exempt membership organization organization based in Washington, DC. It has represented its members and the public on many telecommunications policy issues, but its primary goal in recent years has been to promote the interests of residential and small business telecommunications consumers.

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**Report and Order*, 61 FR 59340 (November 22, 1996). The substantial costs these citizens will incur strongly tips the balance of factors the Commission should consider in acting upon the stay request. Not only will no party be harmed by the grant of a stay maintaining the *status quo*, but the public interest will be greatly disserved if such relief is not granted.

MCI asserts and articulates the interests of interexchange carriers such as itself. Residential and Small Business Consumer Groups have a different stake in the outcome of this proceeding. As is set forth in comments and reply comments filed by consumer groups in this docket, Telecommunications Research and Action Center employs the data provided in these tariffs to prepare *TELE-TIPS™* comparison charts which it distributes to small business and residential consumers. These charts enable users to obtain the best and most cost-effective long distance services. Consumer Action distributes similar information in its newsletter, *Consumer Action News*⁴

Hundreds of millions of individuals and small businesses are entirely dependent on third party sources for information necessary to make informed choices in purchasing long distance telecommunications services. While large and sophisticated corporate customers have the knowledge, resources and staff to negotiate and enforce purchase contracts, individuals and small businesses have little or no capability to bargain. Unavailability of price information in easily comparable formats will greatly exacerbate their disadvantaged position in the market. The inevitable inefficiencies and market distortions thus created will not only harm these customers but the public interest as well.


⁴Consumer Federation of America does not itself publish such data. However, a number of its member organizations do distribute material of this kind, and the individual members of its constituent consumer and labor organizations rely upon such information.

One especially significant shortcoming of the action under challenge in this proceeding is the Commission's wholly impractical expectation that interexchange carriers can and will enter into ongoing contractual relationships with so-called "casual callers" who use collect calling, credit cards and pay phones as an occasional or primary means of accessing long distance services. There is no justification for the Commission's shockingly offhanded treatment of these most vulnerable of consumers, or for the Commission's belief that, absent tariffs, state and local law will somehow enable interchange carriers and callers to enter into binding and enforceable relationships on terms which will protect the public.

It is an axiom that efficient markets depend on the universal availability of price information. The Commission's action will distort markets and create large classes of ill-served customers unable to function effectively in the marketplace.

WHEREFORE, Residential and Small Business Consumer Groups respectfully ask that the Commission grant MCI's motion and stay the effectiveness of its *Second Report and Order*, pending judicial review.

Respectfully submitted,



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